

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7035**

**BILL NUMBER:** HB 1510

**NOTE PREPARED:** Jan 8, 2013

**BILL AMENDED:**

**SUBJECT:** Water liens.

**FIRST AUTHOR:** Rep. VanNatter

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**     **GENERAL**  
                              **DEDICATED**  
                              **FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** This bill provides that rates, charges, or fees imposed or assessed by a municipally owned water utility constitute a lien on the lot, parcel of real property, or building that uses, is connected with, or is served by the utility works. It provides that the procedures for liens authorized for municipally owned sewage utilities apply to liens asserted by municipally owned water utilities.

**Effective Date:** July 1, 2013.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** This bill would authorize a water utility to attach a lien against a user's property for a delinquent bill (the current statute does not address what the utility should do but the utility usually disconnects the user for nonpayment). The water utility would follow the same procedure as a sewage utility does under current law. This could lead eventually to a sale of the owner's property in order to collect the delinquent payment. As a result, the collection of delinquent payments would probably increase.

**Additional Information:**

Under the current law, the fees imposed by a sewage utility constitute a lien against the property assessed. The

lien is superior to all other liens except tax liens. If fees assessed against real property are not paid within the time fixed by the municipal legislative body, they are delinquent. A penalty of ten percent (10%) of the amount of the fees attaches to the delinquent fees. Once the lien is recorded, a notice is mailed to the property owner stating that a lien against the owner's property has been recorded. A municipality or board may foreclose a lien in order to collect fees and penalties. The amount of the fee, the penalty, and a reasonable attorney's fee may be recovered by the board in a civil action in the name of the municipality.

**State Agencies Affected:**

**Local Agencies Affected:** Water Utilities.

**Information Sources:** Water Service Tariff Rates, Terms and Conditions for Water Service Within Marion County, Indiana; pg 16-17.

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